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January 17, 2002

SUBJECT: Wisconsin Rural Development Guaranteed Rural Housing (GRH) Update

TO: Approved GRH Lenders and Originators

Following is important information regarding the funding status and program delivery of Wisconsin's GRH loan program. Please distribute this information to all of your branch offices, correspondent banks, or mortgage originators that originate GRH loans in Wisconsin.

#### FUNDING

We are off to a good start this fiscal year with GRH funds utilization ahead of last year's pace. Currently, Wisconsin has obligated \$11.5 million with another \$4.3 million in reserved status. Ample funding for the GRH loan program will be available throughout the remainder of this fiscal year based on our National allocation of over \$3.1 billion. Lenders are encouraged to submit requests for pre-approvals for their applicants who have not yet entered into a purchase contract.

#### NEW RURAL DEVELOPMENT OFFICE

Effective January 14<sup>th</sup> the Altoona and Baldwin Rural Development offices were merged into a new office that is located in Menomonie. This office will service Dunn, St. Croix, Pierce, Pepin, and Chippewa Counties. The Rural Development office in Black River Falls will service Buffalo and Eau Claire Counties that were formerly serviced by the Altoona office. Refer to the attached map for an updated list of Rural Development Local Offices and their service areas. The address and telephone number for our new office is:

USDA – Rural Development  
390 Red Cedar Street, Suite B  
Menomonie, WI 54751-2386  
715-232-2614, ext. 4

#### ALT. DOC. TELEPHONE CONFIRMATION FORM

Last month, RD AN 3683 was issued to lenders to allow the acceptance of alternative types of employment income documentation for the GRH loan program. If alternative documentation is used by a lender for income verification purposes, it must be accompanied by a telephone

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VISIT US ON THE USDA WebPage at [www.usda.gov](http://www.usda.gov)  
Rural Development (replaces the Farmers Home Administration) is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to: Secretary of Agriculture, Washington, D.C.

verification of the employment and income information typically found on a VOE. Page 4 of RD AN 3683 describes the information that must be verified by telephone and substantiated with a written document. The attached form was developed at the request of several lenders so that their processors had a uniform method of documenting the information needed for alternative income verification. The use of this form is not mandatory. Lenders may document the required employment and income information using the attached form, in a cover letter, or on a similar "in house" form.

#### FNMA RATE VERIFICATION

Effective January 1, 2002, the FNMA Yield Hotline (1-800-752-7020) will no longer be available. As of January 1, 2002, FNMA began publishing their rates on the internet. The site for the 30 year fixed actual/actual yield is:

[www.efanniemae.com/syndicated/documents/mbs/apeprices/30fraac.html](http://www.efanniemae.com/syndicated/documents/mbs/apeprices/30fraac.html)

You may also wish to go to the main site and navigate through to get to the rates. The main site can be accessed at: [www.efanniemae.com](http://www.efanniemae.com)

From there, follow the instructions listed below to access the current FNMA rates.

- Click on "Single Family Information Center"
- Click on "Cash Pricing" under Resources
- On left-hand side of screen, click on "Fixed-Rate Mortgages/Balloons"
- Under "Conventional Fixed-Rate" click on "30-year A/A - it lists 10 day/ 30 day/ 60 day/ and 90/day rates.

When you are looking at the chart of the FNMA 30 Year Fixed Rates, the rate you need to be concerned with is the 90 day posted yield at the top of the chart, right under the date and time of the posted update. Up to 60 basis points can be added to the 90 day posted yield to determine the maximum FNMA rate allowed by the GRH loan program.

#### MANUFACTURED HOME DEALER / CONTRACTORS

Enclosed is an updated list of Rural Development approved Dealer / Contractors for manufactured housing. If you have any questions as to the process or the GRH documentation needed to finance a new manufactured home that will be purchased directly from an approved Dealer / Contractor, please contact our office.

#### UNCLOSED LOANS & EXPIRING COMMITMENTS

Lenders are reminded to closely monitor the expiration dates on the Conditional Commitments that are issued by Rural Development. Complete closing packages must be submitted to Rural Development prior to the expiration date indicated on the Conditional Commitment in order to ensure that a Loan Note Guarantee will be issued. A Conditional Commitment can be extended up to 90 days beyond the initial 90 day period by the Agency for new construction loans. A lender's request for the extension of a Conditional Commitment will also be considered for GRH

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loans that involve substantial rehabilitation of the home or circumstances beyond the lender's control. If an extension of a Conditional Commitment is approved by the Agency, a revised Conditional Commitment will be issued to the lender.

GRH WEB RESOURCES
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Attached is information from a new section in our Originator's Manual entitled "Rural Development GRH Web Resources". This section will contain the web addresses to various sites that will assist lenders in locating information that is useful to processing home loans. Updates to this section include: condominium approvals, FNMA rates, home buyer education, locating a FHA appraiser, and unemployment benefits verification.

If you have any questions regarding this memo, call (715) 345-7620 for Paul Bartlett at Ext. 114 or Sue Kohnen at Ext. 115.

/s/

PETER G. KOHNEN  
Rural Housing Program Director

PGK: pjb

Enclosures